

TOWN OF CHEYENNE
FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION
JUNE 30, 2020

TOWN OF CHEYENNE, OKLAHOMA

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JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Town Council
Town of Cheyenne, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Cheyenne, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Cheyenne, Oklahoma, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Management has elected to omit the management's discussion and analysis information. Our opinion on the basic financial statements is not affected by this missing information. The budgetary comparison information is listed in the table of contents. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cheyenne, Oklahoma's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2021, on our consideration of the Town of Cheyenne, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Cheyenne, Oklahoma's internal control over financial reporting and compliance.

Britton, Kuykendall & Miller

Weatherford, Oklahoma
May 12, 2021

Town of Cheyenne, Oklahoma
Statement of Net Position
For the Year Ended June 30, 2020

| ASSETS | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Cash and Cash Equivalents | \$ 1,049,387.42 | \$ 496,660.66 | \$ 1,546,048.08 | \$ 13,044.11 |
| Certificates of Deposit | 1,684,371.77 | 266,982.50 | 1,951,354.27 | 127,331.21 |
| Accounts Receivable, Net | 0.00 | 70,120.22 | 70,120.22 | 0.00 |
| Due from Other Governments | 247,318.56 | (7,337.00) | 239,981.56 | 268,958.38 |
| Prepaid Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| Restricted Cash and Cash Equivalents | 0.00 | (0.00) | (0.00) | 0.00 |
| Inventories | 0.00 | 24,175.95 | 24,175.95 | 0.00 |
| Capital Assets: | | | | |
| Loan Origination Fees-Net of Amortization | 0.00 | 7,777.48 | 7,777.48 | 0.00 |
| Land and Construction in Progress | 106,648.50 | 0.00 | 106,648.50 | 128,969.84 |
| Other Capital Assets, Net of Depreciation | 1,198,117.48 | 2,008,932.44 | 3,207,049.92 | 431,453.97 |
| Total Assets | \$ 4,285,843.73 | \$ 2,867,312.25 | \$ 7,153,155.98 | \$ 969,757.51 |
| LIABILITIES | | | | |
| Accounts Payable and Accrued Expenses | \$ 25,356.22 | \$ 47,408.52 | \$ 72,764.74 | \$ 36.78 |
| Current Portion of Long-Term Debt | 0.00 | 63,543.23 | 63,543.23 | 0.00 |
| Long-Term Portion of Debt | 0.00 | 394,996.08 | 394,996.08 | 0.00 |
| Total Liabilities | 25,356.22 | 505,947.83 | 531,304.05 | 36.78 |
| NET POSITION | | | | |
| Invested in Capital Assets, Net of Related Debt | 1,304,765.98 | 1,558,170.61 | 2,862,936.59 | 560,423.81 |
| Restricted for: | | | | |
| Capital Improvement Fund | 1,706,567.16 | 0.00 | 1,706,567.16 | 0.00 |
| Debt Services | 0.00 | (0.00) | (0.00) | 0.00 |
| Unrestricted | 1,249,154.37 | 803,193.81 | 2,052,348.18 | 409,296.92 |
| Total Net Position | 4,260,487.51 | 2,361,364.42 | 6,621,851.93 | 969,720.73 |
| Total Liabilities and Net Position | \$ 4,285,843.73 | \$ 2,867,312.25 | \$ 7,153,155.98 | \$ 969,757.51 |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Statement of Activities
For the Year Ended June 30, 2020

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | Component Unit |
|--------------------------------------|------------------|----------------------|--------------------------|----------------------------------|---|--------------------------|-----------------|----------------|
| | Expenses | Charges for Services | Operating | | Governmental Activities | Primary Government | | |
| | | | Grants and Contributions | Capital Grants and Contributions | | Business-Type Activities | Total | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ | 391,710.79 | \$ | 8,506.76 | \$ | 0.00 | \$ | 0.00 |
| Public Safety | | 86,368.00 | | 1,767.50 | | 0.00 | | 0.00 |
| Culture and Recreation | | 50,464.56 | | 1,085.00 | | 0.00 | | 0.00 |
| Sanitation and Utilities | | 147,743.86 | | 138,400.00 | | 23,056.02 | | 0.00 |
| Total Governmental Activities | | 676,287.21 | | 149,759.26 | | 23,056.02 | | 0.00 |
| Business-Type Activities: | | | | | | | | |
| Water Utilities | | 436,764.64 | | 439,917.11 | | 0.00 | | 0.00 |
| Component Unit | | | | | | | | |
| Airport | | 95,154.02 | | 5,663.18 | | 0.00 | | (89,490.84) |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| | | | | | 268,574.98 | - | 268,574.98 | 0.00 |
| | | | | | 65,063.56 | - | 65,063.56 | 0.00 |
| | | | | | 29,287.38 | - | 29,287.38 | 0.00 |
| | | | | | 94,331.33 | - | 94,331.33 | 0.00 |
| | | | | | 40,785.63 | 4,960.58 | 45,746.21 | 0.00 |
| | | | | | (4,852.60) | 0.00 | (4,852.60) | 0.00 |
| | | | | | 14,405.23 | 0.00 | 14,405.23 | 0.00 |
| | | | | | 73,569.36 | (73,569.36) | 0.00 | 0.00 |
| Total General Revenues and Transfers | | | | | | | | |
| | | | | | 581,164.87 | (68,608.78) | 512,556.09 | 0.00 |
| Change in Net Position | | | | | | | | |
| | | | | | 77,692.94 | (65,456.31) | 12,236.63 | (89,490.84) |
| Net Position - Beginning of Year | | | | | | | | |
| | | | | | 4,182,794.62 | 2,426,820.73 | 6,609,615.35 | 1,059,211.57 |
| Net Position - End of Year | | | | | | | | |
| | | | | | \$ 4,260,487.56 | \$ 2,361,364.42 | \$ 6,621,851.98 | \$ 969,720.73 |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Combined Balance Sheet
Governmental Funds
June 30, 2020

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|-------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 126,709.47 | \$ 922,677.95 | \$ 1,049,387.42 |
| Certificates of Deposit | 641,268.91 | 1,043,102.86 | 1,684,371.77 |
| Accounts Receivable | 0.00 | 0.00 | 0.00 |
| Prepaid Expenses | 0.00 | 0.00 | 0.00 |
| Due from other Governments | 71,519.07 | 175,799.49 | 247,318.56 |
| Total Assets | \$ 839,497.45 | 2,141,580.30 | \$ 2,981,077.75 |
| LIABILITIES | | | |
| Accounts Payable | \$ 24,356.22 | 1,000.00 | \$ 25,356.22 |
| Total Liabilities | 24,356.22 | 1,000.00 | 25,356.22 |
| NET POSITION | | | |
| Assigned: | | | |
| Street Expenses | 0.00 | 35,054.00 | 35,054.00 |
| CDBG GrantFund | 0.00 | 21,000.00 | 21,000.00 |
| Fire Dept Fund | 0.00 | 257,408.54 | 257,408.54 |
| Cemetery | 0.00 | 120,550.60 | 120,550.60 |
| Clerk | 0.00 | 0.00 | 0.00 |
| Capital Improvement Fund | 0.00 | 1,706,567.16 | 1,706,567.16 |
| Unassigned: | | | |
| Unassigned | 815,141.23 | 0.00 | 815,141.23 |
| Total Net Position | 815,141.23 | 2,140,580.30 | 2,955,721.53 |
| Total Liabilities and Net Position | \$ 839,497.45 | \$ 2,141,580.30 | \$ 2,981,077.75 |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2020

Total net position - total governmental funds \$ 2,955,721.53

Amounts reported for governmental activities
in the statement of net assets are different
because:

Capital assets of \$3,450,265.15, net of accumulated depreciation
of \$(2,145,499.17), are not financial resources and therefore
are not reported in the funds.

1,304,765.98

Net position of governmental activities

\$ 4,260,487.51

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Statement of Revenues, Expenditures, and Changes in Net Position
Governmental Funds
For the Year Ended June 30, 2020

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|---------------------------------|-------------------|--------------------------------|--------------------------------|
| Revenues: | | | |
| Sales Tax | \$ 260,211.09 | \$ 8,363.89 | 268,574.98 |
| Franchise Tax | 29,287.38 | 0.00 | 29,287.38 |
| Alcoholic Beverage Tax | 89,549.20 | 0.00 | 89,549.20 |
| Use Tax | 65,063.56 | 0.00 | 65,063.56 |
| Cigar Tax | 2,433.88 | 0.00 | 2,433.88 |
| Fuel Tax | 0.00 | 856.42 | 856.42 |
| Grant Revenue | 18,337.50 | 4,718.52 | 23,056.02 |
| Donations | 0.00 | 4,610.00 | 4,610.00 |
| License, Fees & Permits | 555.00 | 0.00 | 555.00 |
| Housing Tax | 1,491.83 | 0.00 | 1,491.83 |
| Cemetery Revenue | 0.00 | 1,085.00 | 1,085.00 |
| Garbage | 138,400.00 | 0.00 | 138,400.00 |
| Police Fines & Court Fees | 765.00 | 0.00 | 765.00 |
| Fire Runs | 0.00 | 0.00 | 0.00 |
| Pool & Clean up Fees | (5,352.60) | 500.00 | (4,852.60) |
| Refunds and Reimbursements | 45.88 | 5,521.37 | 5,567.25 |
| Rentals | 2,116.00 | 823.51 | 2,939.51 |
| Royalties | 4,461.39 | 0.00 | 4,461.39 |
| Interest Income | 12,689.20 | 28,096.43 | 40,785.63 |
| Motor Vehicle Tax | 0.00 | 0.00 | 0.00 |
| Animal Control Fees | 447.50 | 0.00 | 447.50 |
| Miscellaneous Sales and Service | 2,274.84 | 3,059.00 | 5,333.84 |
| Total Revenues | 622,776.65 | 57,634.14 | 680,410.79 |
| Expenditures: | | | |
| Personal Service: | | | |
| City Administration | 136,222.43 | 0.00 | 136,222.43 |
| Police | 0.00 | 0.00 | 0.00 |
| Fire | 234.39 | 0.00 | 234.39 |
| Garbage Disposal | 55,783.37 | 0.00 | 55,783.37 |
| Animal Control | 0.00 | 0.00 | 0.00 |
| Maintenance | 117,856.12 | 0.00 | 117,856.12 |
| Street | 0.00 | 0.00 | 0.00 |
| Park & Pool | 0.00 | 0.00 | 0.00 |
| Library | 0.00 | 0.00 | 0.00 |
| General Government | 9,100.00 | 0.00 | 9,100.00 |
| | 319,196.31 | 0.00 | 319,196.31 |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Statement of Revenues, Expenditures, and Changes in Net Position
Governmental Funds
Statement of Net Position

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------------|--------------------------------|
| <u>Expenditures:</u> | | | |
| Maintenance and Operations: | | | |
| City Administration | 50,152.97 | 27.70 | 50,180.67 |
| Police | 268.77 | 0.00 | 268.77 |
| Fire | 12,505.93 | 13,562.95 | 26,068.88 |
| Garbage Disposal | 76,315.49 | 0.00 | 76,315.49 |
| Animal Control | 2,831.51 | 0.00 | 2,831.51 |
| Maintenance | 41,691.16 | 0.00 | 41,691.16 |
| Street | 17,364.21 | 9,318.63 | 26,682.84 |
| Park & Pool | 31,366.79 | 0.00 | 31,366.79 |
| Library | 5,035.02 | 0.00 | 5,035.02 |
| Cemetery | 0.00 | 1,548.77 | 1,548.77 |
| General Government | 0.00 | 0.00 | 0.00 |
| | <u>237,531.85</u> | <u>24,458.05</u> | <u>261,989.90</u> |
| Capital Outlay: | | | |
| City Administration | 11,584.43 | 0.00 | 11,584.43 |
| Maintenance | 7,005.00 | 0.00 | 7,005.00 |
| Street | 0.00 | 0.00 | 0.00 |
| Park & Pool | 13,351.30 | 0.00 | 13,351.30 |
| Library | 0.00 | 0.00 | 0.00 |
| Police | 0.00 | 0.00 | 0.00 |
| Garbage | 0.00 | 0.00 | 0.00 |
| General Government | 0.00 | 7,571.00 | 7,571.00 |
| | <u>31,940.73</u> | <u>7,571.00</u> | <u>39,511.73</u> |
| Total Expenditures | <u>588,668.89</u> | <u>32,029.05</u> | <u>620,697.94</u> |
| Excess of Revenues Over (Under) Expenditures | <u>34,107.76</u> | <u>25,605.09</u> | <u>59,712.85</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Operating Transfers In (Out) | <u>68,697.70</u> | <u>4,871.66</u> | <u>73,569.36</u> |
| Net Change in Net Position | 102,805.46 | 30,476.75 | 133,282.21 |
| Net Position, Beginning of Year | <u>712,335.82</u> | <u>2,110,103.55</u> | <u>2,822,439.37</u> |
| Net Position, End of Year | <u>\$ 815,141.28</u> | <u>\$ 2,140,580.30</u> | <u>\$ 2,955,721.58</u> |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Net Position of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds \$ 133,282.21

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated
useful lives as depreciation expense. This is the amount by which capital
outlays \$39,511.73 exceeded depreciation (\$95,101.00) in the current period.

(55,589.27)

Change in net position of governmental activities \$ 77,692.94

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2020

| <u>ASSETS</u> | <u>Utility Authority</u> |
|---|------------------------------|
| Current Assets: | |
| Cash and Cash Equivalents | \$ 496,660.66 |
| Certificates of Deposit | 266,982.50 |
| Due from Other Governments | (7,337.00) |
| Accounts Receivable, Net | <u>70,120.22</u> |
| Total Current Assets | 826,426.38 |
| Restricted Cash and Cash Equivalents | (0.00) |
| Inventory | 24,175.95 |
| Loan Origination Fees-Net of Amortization | 7,777.48 |
| Property, Plant & Equipment-Net of Depreciation | <u>2,008,932.44</u> |
| Total Non-Current Assets | <u>2,040,885.87</u> |
| Total Assets | <u>\$ 2,867,312.25</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Accounts Payable | 21,709.74 |
| Deposits Payable | 25,698.78 |
| Current Portion of Long-Term Debt | <u>63,543.23</u> |
| Total Current Liabilities | <u>110,951.75</u> |
| Noncurrent Liabilities: | |
| Long-Term Debt (Net of Current Portion) | <u>394,996.08</u> |
| Total Noncurrent Liabilities | <u>394,996.08</u> |
| Total Liabilities | <u>505,947.83</u> |
| <u>NET POSITION</u> | |
| Invested in Capital Assets, Net of Related Debt | 1,558,170.61 |
| Restricted for Debt Service | (0.00) |
| Unrestricted | <u>803,193.81</u> |
| Total Net Position | <u>2,361,364.42</u> |
| Total Liabilities and Net Position | <u>\$ 2,867,312.25</u> |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

| | Utility Authority |
|--|------------------------|
| Operating Revenues: | |
| Water Service | \$ 336,573.67 |
| Sewer Service | 26,589.09 |
| Surcharges | 17,211.00 |
| Penalties | 19,029.33 |
| Other Income | 2,775.10 |
| Grant Income | 46,875.00 |
| Adjustments | <u>(9,136.08)</u> |
| Total Operating Revenues | <u>439,917.11</u> |
| Operating Expenses: | |
| Personal Services | 134,941.57 |
| Supplies and Repairs | 113,365.55 |
| Insurance Expense | 5,391.50 |
| Other Expenses | 49,445.34 |
| Amortization | 0.00 |
| Depreciation | <u>118,872.00</u> |
| Total Operating Expenses | <u>422,015.96</u> |
| Operating Income (Loss) | 17,901.15 |
| Non-Operating Revenues (Expenses): | |
| Interest Income | 4,960.58 |
| Bad Debt Expense | (62.00) |
| Interest Expense | <u>(14,686.68)</u> |
| Total Non-Operating Revenues (Expenses) | <u>(9,788.10)</u> |
| Income (Loss) before Operating Transfers | 8,113.05 |
| Operating Transfers In (Out) | <u>(73,569.36)</u> |
| Change in Net Position | (65,456.31) |
| Net Position - Beginning of Year | <u>2,426,820.73</u> |
| Net Position - End of Year | <u>\$ 2,361,364.42</u> |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

| | Utility Authority |
|--|-----------------------------|
| <u>Cash Flows From Operating Activities:</u> | |
| Cash Received From Customers | \$ 404,639.11 |
| Cash Paid For Operations | (168,411.51) |
| Cash Paid to Employees | (134,941.57) |
| Net Cash Provided From Operations | <u>101,286.03</u> |
| <u>Cash Flows From Non-Capital Investing Activities:</u> | |
| Grant Revenue | 46,875.00 |
| Operating Transfer In (Out) | (73,569.36) |
| Net Cash Flows-Investing Activities | <u>(26,694.36)</u> |
| <u>Cash Flows From Capital and Related Financing Activities:</u> | |
| Principal paid on long-term debt | (61,743.96) |
| Payments of interest on long-term debt | (14,686.68) |
| Payments for capital assets | (167,477.61) |
| Net Cash Flows-Financing Activities | <u>(243,908.25)</u> |
| <u>Cash Flows from Investing Activities</u> | |
| Purchase of Certificates of Deposit | (4,812.51) |
| Interest Income | 4,960.58 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>148.07</u> |
| Net Increase (Decrease) in Cash | (169,168.51) |
| Cash at Beginning of Year | <u>665,829.17</u> |
| Cash at End of Year | \$ <u><u>496,660.66</u></u> |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

| | <u>Utility Authority</u> |
|---|------------------------------|
| Reconciliation of Net Income to Net Cash Provided from Operations: | |
| Operating Income | \$ 17,901.15 |
| Adjustments: | |
| Depreciation | 118,872.00 |
| (Increase) Decrease in: | |
| Accounts Receivable | (35,292.53) |
| Increase (Decrease) in: | |
| Accounts Payable | (194.59) |
| Deposits | <u>0.00</u> |
| Net Cash Provided From Operations | <u>\$ 101,286.03</u> |

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The incorporated Town of Cheyenne, Oklahoma operates under the Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, utility (water, sanitation and sewer), planning and zoning, library, airport, recreation and general administration.

The Town of Cheyenne (Town) complies with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1 (A): FINANCIAL REPORTING ENTITY

Component Units

The Town's general-purpose financial statements include the accounts of all Town operations. The criteria for including organizations within the Town's reporting entity, as set forth in GASB 14: "The Financial Reporting Entity" is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Town of Cheyenne governing board or the component unit provides services entirely to the Town. These component units' funds are blended into those of the Town's by appropriate activity type to compose the primary government presentation.

Cheyenne Utility Authority – The Utility Authority operates the Town's water and sewer services to the citizens of Cheyenne. The Town of Cheyenne governing board serves to the citizens of Cheyenne. The board serves as trustees and the Town Manager is general manager.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

Discretely Presented Component Units (Continued)

Airport Authority – The Airport Authority operates the local airport including hangar rentals. The Airport Authority has its own board and is accountable to the Town of Cheyenne and therefore is reported as a discretely presented component unit.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

1 (B): BASIS OF PRESENTATION*Government-wide Financial Statements:*

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. Other funds that management considers important to readers of the financial statements.

The funds of the financial reporting entity are described below:

Governmental Funds*General Fund*

The General Fund is the general operating fund of the Town and is always classified as a major fund. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects), that are legally restricted to expenditures for special purposes.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary Funds.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Proprietary Funds*Enterprise Funds*

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Cheyenne Utility Authority as its sole Enterprise Fund.

Major Funds*Governmental Funds*

The Town reports the following major governmental funds:

General Fund – A description of these funds can be found at note 1(B).

Proprietary Funds

The Town reports one major enterprise funds: Cheyenne Utility Authority which is accounts for activities of the public trust which provides water and sewer services to the public.

1 (C): FUND BALANCE

Beginning with fiscal year 2011, the Town implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (Town Council). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town or by an official or body to which the Town Council delegates the authority.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The Town Council establish (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose.

General Fund

The General Fund has an Unassigned Fund Balance of \$815,141.23, at June 30, 2020.

1 (D): MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources: measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1 (E): ASSETS, LIABILITIES AND EQUITY**Cash and Investments**

For the purposes of the Statement of Net Assets, "cash and cash equivalents" includes all demand, savings accounts, and certificates of deposits of the Town with an original maturity of three months or less. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Business-type activities report utilities as their major receivable.

Inventories

Inventory in the proprietary fund consist of expendable supplies held for consumption or product held for resale. All inventories are recorded at cost.

Fixed Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable.

Prior to July 1, 2002, governmental funds' infrastructure assets were not capitalized.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|--------------------------------------|------|
| Buildings and Infrastructure | 40 |
| Utility System | 40 |
| Furniture, Fixtures And Equipment | 5-15 |

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, capital leases obligations, and landfill closure and post-closure obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

All full-time permanent employees are granted vacation benefits, "comp" time, and sick leave in varying amounts to specified maximums. Upon termination, employees are entitled to their accumulated vacation and "comp" time earnings. Sick leave accumulations are not paid upon termination.

The estimated current portion of the liability for vested vacation benefits and "comp" time accumulations has been recorded as an expenditure and liability in the respective governmental or proprietary funds. The amounts recorded do not expect to exceed one year's accumulations. Sick leave accumulations have not been recorded in the financial statements since they are not paid upon termination.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Equity Classifications*Government-wide Statements*

Equity is classified as net assets and displayed in three components:

- a. "Invested in capital assets, net of related debt" consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. "Restricted net assets" consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. "Unrestricted net assets" all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Town and its component units are subject to various federal, state, and local laws and contractual regulations.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

2 (A): BUDGETARY INFORMATION

The Town is required by the Oklahoma Municipal Budget Act to prepare and submit an annual budget to the County Excise Board. Budgets are adopted by the General Fund and Street and Alley Fund.

The budget of expenditures and encumbrances for these fund cannot exceed the estimated revenues and it is unlawful for the Town to create or authorize creation of a deficit in any budgeted fund. Budgetary control is maintained by the following category of expenditures: personal services, maintenance and operation, capital outlay, and debt services. All budget amendments lapse at the end of the fiscal year. Encumbered funds are carried over to the ensuing fiscal year until utilized or canceled.

Oklahoma Statutes also require the Excise Board each year to make an ad valorem tax levy for the Debt Service Fund which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and all outstanding judgments coming due in the following fiscal year.

NOTE 3: DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3(A): Deposit and Investments

The Town reporting entity considers all cash in bank checking accounts and certificates of deposit with an original maturity date of three months or less (including restricted assets) to be cash equivalents.

Investments of the Town (excluding Public Trusts) are limited by Oklahoma Statute, Title 62, and Section 348.1 to the following:

- a. Direct obligations of the U.S. Government or its agencies or instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. Negotiable certificates of deposits, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations. Any investments in these instruments mentioned in the previous paragraphs a. and b., where the collateral has been deposited with a trustee in an irrevocable trust or escrow account.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county municipality or school district.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Public trusts created under O.S. Title 60, are not subject to the above the noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures.

In accordance with Oklahoma Statute, title 62, Section 516.3, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at no more than market value. Acceptable collateral includes certain U.S. Government Agency Securities, certain State of Oklahoma or political subdivision debt obligations or surety bonds.

The following is a summary of the Town's credit risk on deposits:

Deposit Categories of Credit Risk:

- A) Insured by Federal Deposit Insurance or direct obligation of the U.S. Government.
- B) Collateralized with securities held by the pledging financial institutions trust department or agent in the Town's name.
- C) Uncollateralized.

| | Category | | | Bank |
|----------------|----------------------|------------------------|----------------|------------------------|
| | (A) | (B) | (C) | Balance |
| Primary Gov't | \$ 250,000.00 | \$ 3,247,402.35 | \$ 0.00 | \$ 3,497,402.35 |
| Component Unit | <u>140,375.32</u> | <u>0.00</u> | <u>0.00</u> | <u>140,375.32</u> |
| Total | <u>\$ 390,375.32</u> | <u>\$ 3,247,402.35</u> | <u>\$ 0.00</u> | <u>\$ 3,637,777.67</u> |

3 (B): Restricted Cash and Investments

Restricted Cash and Cash Equivalents include accounts that are restricted for payment of associated debt, loan covenants, and capital projects. The amounts in the accounts as of June 30, 2020 totaled \$0.00.

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

3 (C): Property and Equipment

Capital asset activity for the year ended June 30, 2020, was as follows:

| Governmental Activities: | Balance June 30, 2019 | Additions | Retirements | Balance June 30, 2020 |
|-------------------------------------|--------------------------------------|------------------|--------------------|--------------------------------------|
| Land | \$ 103,449 | \$ 0 | \$ 0 | \$ 103,449 |
| Buildings | 678,528 | 0 | 0 | 678,528 |
| Infrastructure | 1,145,391 | 0 | 0 | 1,145,391 |
| Equipment and Furniture | 1,483,385 | 39,512 | 0 | 1,522,897 |
| Totals at Historical Cost | 3,410,753 | 39,512 | 0 | 3,450,265 |
| Less: Accumulated Depreciation | 2,050,397 | 95,101 | 0 | 2,145,498 |
| Net Book Value | \$ 1,360,356 | \$ (55,589) | \$ 0 | \$ 1,304,767 |

| Business-Type Activities: | Balance June 30, 2019 | Additions | Retirements | Balance June 30, 2020 |
|--------------------------------------|--------------------------------------|------------------|--------------------|--------------------------------------|
| Land | \$ 49,962 | \$ 0 | \$ 0 | \$ 49,962 |
| Infrastructure | 4,032,444 | 167,308 | 0 | 4,199,752 |
| Equipment and Furniture | 276,659 | 0 | 0 | 276,659 |
| Totals at Historical Cost | 4,359,065 | 167,308 | 0 | 4,526,373 |
| Less: Accumulated Depreciation | 2,398,569 | 118,872 | 0 | 2,517,441 |
| Net Book Value | \$ 1,960,496 | \$ 48,436 | \$ 0 | \$ 2,008,932 |

Depreciation Expense

Depreciation Expense was charged to functions of the primary government as follows:

Governmental Activities:

| | |
|--------------------------|-----------|
| General Government | \$ 31,390 |
| Public Safety | 30,516 |
| Culture and Recreation | 17,549 |
| Sanitation and Utilities | 15,645 |
| Total | \$ 95,101 |

Business-Type Activities:

| | |
|-----------------|------------|
| Water Utilities | \$ 118,872 |
| Airport | 85,618 |
| Total | \$ 199,490 |

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

3 (D): ACCOUNTS PAYABLE

Accounts payable are composed of payables to vendors and accrued salaries and benefits.

3 (E): LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Business-Type Activities:

As of June 30, 2020, the long-term debt payable from proprietary fund resources consisted of the following:

*Notes Payable*Utility AuthoritySecurity State Bank

The Cheyenne Utility Authority entered into a loan with Security State Bank. \$ 458,397
The funds were obtained for water treatment and distribution improvements. The loan has a variable interest rate and final maturity date of October 9, 2026. Principal and interest payments of \$6,369.22 are due monthly.

Changes in Long-Term Debt

| | Balance 7/01/2019 | Additions | Deductions | Balance 6/30/2020 | Balance Due Within One Year |
|---------------------------|----------------------|-----------|------------|----------------------|-----------------------------------|
| Business Type Activities: | | | | | |
| Security State Bank | \$ 520,140 | 0 | 61,743 | 458,397 | 63,554 |

**TOWN OF CHEYENNE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Annual Debt Service

The annual debt service requirements to maturity, including principal and interest, for long-term debt, excluding non-commitment debt, as of June 30, 2020, are as follows:

Business-Type Activities Notes Payable

| Year Ended June 30 | Principal | Interest | Total |
|-----------------------|------------|-----------|------------|
| 2021 | 63,554 | 12,876 | 76,430 |
| 2022 | 65,487 | 10,943 | 76,430 |
| 2023 | 67,479 | 8,951 | 76,430 |
| 2024 | 69,531 | 6,899 | 76,430 |
| 2025 | 71,634 | 4,796 | 76,430 |
| Thereafter | 120,712 | 3,112 | 123,824 |
| Totals | \$ 458,397 | \$ 47,577 | \$ 505,974 |

3 (F): RISK MANAGEMENT

The Town purchases commercial insurance to satisfy liabilities under Worker's Compensation claims, property damage, and liability claims up to the limits set by the Oklahoma Governmental Tort Claim.

NOTE 4: OTHER NOTES

Contingencies

Grants

In the normal course of operations, the Town receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Retirement Plans

The Town's firefighters participate in the Fireman's Pension and Retirement System. The system is funded by contributions from employers, employees, and the state. During the year ended June 30, 2020, the Town contributed \$2,620 to this plan.

The Town also contributes amounts to the Oklahoma Public Employees Retirement program for eligible employees. During the year ended June 30, 2020, the Town contributed \$0 to this plan.

NOTE 5: SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 12, 2021, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

Town of Cheyenne, Oklahoma
General Fund
Statement of Revenues, Expenditures and
Changes in Net Position
Budget and Actual (GAAP Budgetary Basis)
For the Year Ended June 30, 2020

| <u>Revenues</u> | <u>Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget Favorable (Unfavorable)</u> |
|---------------------------------|-------------------|---------------------------|---|
| Sales Tax | \$ 220,000.00 | \$ 260,211.09 | \$ 40,211.09 |
| Franchise Tax | 20,000.00 | 29,287.38 | 9,287.38 |
| Alcoholic Beverage Tax | 44,000.00 | 89,549.20 | 45,549.20 |
| Use Tax | 30,000.00 | 65,063.56 | 35,063.56 |
| Cigar Tax | 2,500.00 | 2,433.88 | (66.12) |
| Grant Revenue | 0.00 | 18,337.50 | 18,337.50 |
| Donations | 0.00 | 0.00 | 0.00 |
| Licenses, Fees & Permits | 0.00 | 555.00 | 555.00 |
| Sanitation Services | 109,800.00 | 138,400.00 | 28,600.00 |
| Police Fines & Court Fees | 0.00 | 765.00 | 765.00 |
| Sales of Assets | 0.00 | (5,352.60) | (5,352.60) |
| Refunds and Reimbursements | 0.00 | 45.88 | 45.88 |
| Rentals | 0.00 | 2,116.00 | 2,116.00 |
| Royalties | 0.00 | 4,461.39 | 4,461.39 |
| Interest Income | 0.00 | 12,689.20 | 12,689.20 |
| Housing Tax | 0.00 | 1,491.83 | 1,491.83 |
| Animal Control Fees | 0.00 | 447.50 | 447.50 |
| Miscellaneous Sales and Service | 0.00 | 2,274.84 | 2,274.84 |
| Total Revenues | 426,300.00 | 622,776.65 | 196,476.65 |
| <u>Expenditures</u> | | | |
| Personal Services: | | | |
| City Administration | 0.00 | 136,222.43 | (136,222.43) |
| Garbage Disposal | 0.00 | 55,783.37 | (55,783.37) |
| Maintenance | 0.00 | 117,856.12 | (117,856.12) |
| Parks | 0.00 | 0.00 | 0.00 |
| General Government | 0.00 | 9,100.00 | (9,100.00) |
| Police/Fire | 0.00 | 234.39 | (234.39) |
| | 400,000.00 | 319,196.31 | 80,803.69 |
| Maintenance and Operations: | | | |
| Police | 0.00 | 268.77 | (268.77) |
| Maintenance | 0.00 | 41,691.16 | (41,691.16) |
| Garbage Disposal | 0.00 | 76,315.49 | (76,315.49) |
| City Administration | 0.00 | 50,152.97 | (50,152.97) |
| Library | 0.00 | 5,035.02 | (5,035.02) |
| Park | 0.00 | 31,366.79 | (31,366.79) |
| Street | 0.00 | 17,364.21 | (17,364.21) |
| Fire | 0.00 | 12,505.93 | (12,505.93) |
| Animal Control | 0.00 | 2,831.51 | (2,831.51) |
| | 375,000.00 | 237,531.85 | 137,468.15 |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
General Fund (continued)
Statement of Revenues, Expenditures and
Changes in Net Position
Budget and Actual (GAAP Budgetary Basis)
For the Year Ended June 30, 2020

| <u>Expenditures. (Continued)</u> | <u>Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget Favorable (Unfavorable)</u> |
|--|-------------------------|---------------------------|---|
| Capital Outlay: | | | |
| General Government | \$ 0.00 | \$ 11,584.43 | \$ (11,584.43) |
| Street | 0.00 | 0.00 | 0.00 |
| Maintenance | 0.00 | 7,005.00 | (7,005.00) |
| Library | 0.00 | 0.00 | 0.00 |
| Park | 0.00 | 13,351.30 | (13,351.30) |
| | <u>225,000.00</u> | <u>31,940.73</u> | <u>193,059.27</u> |
| Total Expenditures | <u>1,000,000.00</u> | <u>588,668.89</u> | <u>411,331.11</u> |
| Excess Revenues Over (Under) Expenditures | <u>(573,700.00)</u> | <u>34,107.76</u> | <u>607,807.76</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Net Transfers In (Out) | <u>(138,635.82)</u> | <u>68,697.70</u> | <u>(207,333.52)</u> |
| Excess of Revenues and Other Sources over Expenditures and Other Uses | <u>(712,335.82)</u> | <u>102,805.46</u> | <u>815,141.28</u> |
| Net Position, Beginning | <u>712,335.82</u> | <u>712,335.82</u> | <u>0.00</u> |
| Net Position, Ending | <u>\$ 0.00</u> | <u>\$ 815,141.28</u> | <u>\$ 815,141.28</u> |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

| ASSETS | Special Revenue | | | | | | Total Nonmajor Governmental Funds |
|---|---------------------|------------------|----------------------|----------------------|-----------------------------|----------------|--|
| | Street and Alley | Juvenile Fund | Fire Dept Fund | Cemetery/ Fund | Capital Improvement Fund | Clerk Fund | |
| Cash and Cash Equivalents | \$ 35,054.00 | \$ 0.00 | \$ 82,609.05 | \$ 115,550.60 | \$ 668,464.30 | \$ 0.00 | 922,677.95 |
| Certificates of Deposit | 0.00 | 0.00 | 0.00 | 5,000.00 | 1,038,102.86 | 0.00 | 1,043,102.86 |
| Accounts Receivable, Net | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Due from Other Governments | 0.00 | 0.00 | 175,799.49 | 0.00 | 0.00 | 0.00 | 175,799.49 |
| Prepaid Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Restricted Cash and Cash Equivalents | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Notes Receivable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital Assets: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Land and Construction in Progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Capital Assets, Net of Depreciation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Assets | \$ 35,054.00 | \$ 0.00 | \$ 258,408.54 | \$ 120,550.60 | \$ 1,706,567.16 | \$ 0.00 | 2,141,580.30 |

for airport improvements

LIABILITIES AND FUND BALANCES

| | | | | | | | |
|--|---------------------|----------------|----------------------|----------------------|------------------------|----------------|---------------------|
| LIABILITIES: | | | | | | | |
| Accounts Payable | \$ 0.00 | \$ 0.00 | \$ 1,000.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | 1,000.00 |
| Due to Other Governments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Liabilities | 0.00 | 0.00 | 1,000.00 | 0.00 | 0.00 | 0.00 | 1,000.00 |
| FUND BALANCES: | | | | | | | |
| Fund Balance | 35,054.00 | 0.00 | 257,408.54 | 120,550.60 | 1,706,567.16 | 0.00 | 2,140,580.30 |
| Total Fund Balances | 35,054.00 | 0.00 | 257,408.54 | 120,550.60 | 1,706,567.16 | 0.00 | 2,140,580.30 |
| Total Liabilities and Fund Balances | \$ 35,054.00 | \$ 0.00 | \$ 258,408.54 | \$ 120,550.60 | \$ 1,706,567.16 | \$ 0.00 | 2,141,580.30 |

The accompanying notes to financial statements are an integral part of this statement.

Town of Cheyenne, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Nonmajor Funds
For the Year Ended June 30, 2020

| | Street and Alley | Juvenile Fund | Fire Dept Fund | Cemetery Fund | Capital Improvement Fund | Clerk Fund | CDBG Grant Funds | Total Nonmajor Governmental Funds |
|---|---------------------|------------------|----------------------|----------------------|-----------------------------|----------------|---------------------|--|
| REVENUES: | | | | | | | | |
| Sales Tax | 0.00 | 0.00 | 8,363.89 | 0.00 | 0.00 | 0.00 | 0.00 | 8,363.89 |
| Franchise Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Alcoholic Beverage Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Use Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cigar Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fuel Tax | 856.42 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 856.42 |
| Grant Revenue | 0.00 | 0.00 | 4,718.52 | 0.00 | 0.00 | 0.00 | 0.00 | 4,718.52 |
| Donations | 0.00 | 0.00 | 2,375.00 | 2,235.00 | 0.00 | 0.00 | 0.00 | 4,610.00 |
| License, Fees & Permits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Park Revenue | 0.00 | 0.00 | 0.00 | 1,085.00 | 0.00 | 0.00 | 0.00 | 1,085.00 |
| Cemetery Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposal and Service Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Library Fines | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Police Fines & Court Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fire Runs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Motor Vehicle Tax | 5,521.37 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,521.37 |
| Refunds and Reimbursements | 0.00 | 0.00 | 823.51 | 0.00 | 0.00 | 0.00 | 0.00 | 823.51 |
| Rentals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest Income | 75.94 | 0.00 | 168.07 | 299.57 | 27,552.85 | 0.00 | 0.00 | 28,096.43 |
| Hotel/Motel Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Animal Control Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Community Center Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Sales and Service | 0.00 | 0.00 | 3,059.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,059.00 |
| Total Operating Revenues | 6,453.73 | 0.00 | 20,007.99 | 3,619.57 | 27,552.85 | 0.00 | 0.00 | 57,634.14 |
| EXPENDITURES: | | | | | | | | |
| Personal Service: | | | | | | | | |
| Airport | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| General Government | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Expense | 0.00 | 0.00 | 0.00 | 0.00 | 27.70 | 0.00 | 0.00 | 27.70 |
| Maintenance and Operations: | | | | | | | | |
| Fire | 0.00 | 0.00 | 13,562.95 | 0.00 | 0.00 | 0.00 | 0.00 | 13,562.95 |
| Street | 9,318.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9,318.63 |
| Airport | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cemetery | 0.00 | 0.00 | 0.00 | 1,548.77 | 0.00 | 0.00 | 0.00 | 1,548.77 |
| General Government | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital Outlay: | | | | | | | | |
| Property, Plant & Equipment | 0.00 | 0.00 | 7,571.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,571.00 |
| Total Expenditures | 9,318.63 | 0.00 | 21,133.95 | 1,548.77 | 27.70 | 0.00 | 0.00 | 32,029.05 |
| Excess Revenue Over (Under) | (2,864.90) | 0.00 | (1,125.96) | 2,070.80 | 27,525.15 | 0.00 | 0.00 | 25,605.09 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Operating Transfers In | 0.00 | 0.00 | 0.00 | 0.00 | 81,302.30 | 0.00 | 0.00 | 81,302.30 |
| Operating Transfers Out | 0.00 | 0.00 | 0.00 | 0.00 | (76,430.64) | 0.00 | 0.00 | (76,430.64) |
| Reduction of Long-Term Debt | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Other Financing Sources (Uses) | 0.00 | 0.00 | 0.00 | 0.00 | 4,871.66 | 0.00 | 0.00 | 4,871.66 |
| Excess of Revenues and Other | | | | | | | | |
| Sources over Expenditures | | | | | | | | |
| and Other Uses | (2,864.90) | 0.00 | (1,125.96) | 2,070.80 | 32,396.81 | 0.00 | 0.00 | 30,476.75 |
| Fund Balance, Beginning of Year | 37,918.90 | 0.00 | 258,534.50 | 118,479.80 | 1,674,170.35 | 0.00 | 21,000.00 | 2,110,103.55 |
| Fund Balance, End of Year | \$ 35,054.00 | \$ 0.00 | \$ 257,408.54 | \$ 120,550.60 | \$ 1,706,567.16 | \$ 0.00 | \$ 21,000.00 | \$ 2,140,580.30 |



BRITTON, KUYKENDALL, & MILLER

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Town Council
Town of Cheyenne, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Cheyenne, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Town of Cheyenne, Oklahoma's basic financial statements, and have issued our report thereon dated June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Cheyenne, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Cheyenne, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Cheyenne, Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Cheyenne, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Britton, Kuykendall & Miller

Weatherford, Oklahoma
May 12, 2021